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RUCNCOM/EC CARICOM COLLECTIVE

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SENSITIVE
SIPDIS

STATE FOR WHA/CAR AND EEB/TPP/MTA
NSC FOR V ALVARADO
PASS USTR FOR KENT SHIGETOMI

E.O. 12958: N/A

TAGS: PREL ETRD TD

SUBJECT: REMOVAL OF TRINIDAD AND TOBAGO FROM GENERALIZED SYSTEM OF PREFERENCES (GSP)

REF: STATE 69707

SENSITIVE BUT UNCLASSIFIED - PROTECT ACCORDINGLY

¶1. (SBU) Per reftel instructions, on June 30 the Ambassador contacted Minister of Foreign Affairs Paula Gopee-Scoon and Minister of Trade and Industry Dr. Lenny Saith to inform them of the impending White House announcement that Trinidad and Tobago is graduating from the Generalized System of Preferences (GSP) effective January 1, 2010. The Ministers were grateful for the information but offered no immediate reaction.

¶2. (U) Leading daily newspapers reported on the White House announcement on July 2, with the Trinidad Express carrying a front page photo of the President under the headline "T&T Too Rich: President Bush says this country no longer needs special treatment."

The Express article quoted a spokesman for the opposition Congress of the People party as claiming that "[President] Bush's decision ... will have a tremendous impact on local exporters and will almost certainly result in a loss of jobs." The Express also quoted Minister in the Ministry of Finance Mariano Browne as saying GSP graduation would affect "about two percent" (sic) of T&T's exports to the U.S., adding "It's not threatening to business [but] it's something to look at."

¶3. (SBU) In response to print media and subsequent radio news reports, Post issued a press release drawing on reftel points, and DCM contacted Minister Browne to underscore our expectation that GSP graduation would have no effect on bilateral trade because of overlap with Caribbean Basin Initiative trade preferences. (Browne called back late in the afternoon for more information saying he had been asked to give a briefing on the GSP graduation, presumably to other Ministers and perhaps at Thursday's Cabinet meeting).

¶4. (SBU) ECON Chief followed up along similar lines with the Express reporter who wrote the story, Juhel Browne, and with Ministry of Trade and Industry officer Randall Karim. Karim welcomed the information, noting that the Ministry too was preparing a media release after being deluged with calls from exporters alarmed by the local media reports. Karim also took the opportunity to underscore to ECON Chief the GOTT's desire to secure permanent duty free access for T&T's energy sector exports currently entering under the recently extended Caribbean Basin Trade Partnership Act (CBTPA).

¶5. (SBU) COMMENT: While GOTT ministers have acted responsibly so far, Post is moving to assure that the accurate story gets out so that initial misconceptions do not take hold. Post recognizes the graduation announcement was driven by U.S. trade law, but given the often sensationalistic press play that U.S. actions get, the GOTT could have used as much time as possible to prepare its press line, to deal with opposition posturing, and to get its own Ministers up to speed.

AUSTIN